

March 26, 2008  
Milton, Florida

Present: Chrys Holley (Vice-Chairman), Michelle Parker, Kelly Green, Danny Holt, and Oakland Ard. Also present were Janice Boone (Housing Program Manager), Erin Lenn (Housing Program Coordinator), Melissa Welch (Housing Program Coordinator), Beckie Faulkenberry (Planning & Zoning Director), Tony Gomillion (Public Services Director), Hunter Walker (County Administrator), Betty Salter (Habitat for Humanity), and Debbie Laird (not-for-profit representative).

Ard moved approval of the minutes from the January 23, 2008 meeting; Parker seconded, and the motion carried unanimously. (5-0)

#### HHRP Report

Boone gave a detailed update on the HHRP Report. She said she sent a letter to the Florida Housing Finance Corporation requesting a one year extension for HHRP monies. Boone said a formal written request is necessary for the extension. She said no problems are anticipated with the requested extension.

#### SHIP Report

Boone said there is a summary report showing monies remaining in the fund. She said there are attached funding reports for the years that remain open. Boone said there was \$53,000.00 in the First Time Homebuyer Program remaining at the end of the month. She said this is the most popular strategy and the first to go.

Boone said there is one point of business concerning SHIP that needs to be addressed. She said there was previous approval for staff to move Carlisle Development (Magnolia Crossing II) funding in the amount of \$75,000.00 from funding year 2006/2007 to 2007/2008. Boone said the committee approved transfer of the funds but did not designate where the funds were to come from. She said staff is requesting the committee approve a transfer in the amount of \$75,000.00 from Substantial Rehabilitation to the Rental Development Strategy. Boone said this will cover the commitment to Carlisle Development for Magnolia Crossing II.

Holt moved approval of the request to transfer \$75,000.00 from Substantial Rehabilitation to the Rental Development Strategy to cover the commitment for Carlisle Development for Magnolia Crossing II; Ard seconded, and the motion carried unanimously. (5-0)

Parker asked the balance in both strategies after this money is moved. Boone said this \$75,000.00 is coming from Substantial Rehabilitation. She said the amount in Substantial Rehabilitation will be reduced from the current balance of \$610,000.00. Boone said this amount will be reflected on reports presented next month once approved by the Board.

#### Florida Statute: Advisory Committee Requirement

Boone said Burden asked for some information on the advisory committee requirements. She said there is a recap of the changes provided in each member's backup material. Boone said she highlighted some of the major changes. She discussed these requirements in detail. Boone said there is a recommendation to the committee to add a representative from the not-for-profit provider of affordable housing. Boone said she has a letter from Debbie Laird saying she is willing to serve in this capacity. Boone said three more representatives from different areas are still needed. There was discussion on the term limits for committee members. Boone said the term of representatives is a matter for the committee to address and set.

Holley moved approval for Debbie Laird to fill the not-for-profit vacancy in the SHIP Housing Advisory Committee; Parker seconded, and the motion carried unanimously. (5-0)

#### Discussion: Program Policies

Boone said there are a couple of things she would like to discuss. She said in the past there have been questions on the amount of default and delinquency with regard to participation of individuals participating in the program. Boone said it has been relayed to the committee there have been a few defaults over the years (since 1993). She said she contacted the County Attorney's office to ask them to contract her office if they received foreclosure notices. Boone said she needs to make the committee and the state aware of foreclosures. She said it was discovered there were 32 defaults in 2006/2007 (official foreclosure notices) and 11 confirmed foreclosures in the past two years. She said this equates to approximately \$260,000.00 in subsidies under county programs. Boone said there were 3 foreclosures where HHRP dollars were used for down payment and closing cost assistance. She said there may be more defaults than the committee has been made aware of in the past. Boone said she felt policies and procedures need to be discussed to reduce risk to the homebuyers. She said there was discussion at the last meeting about combining strategies with the down payment and closing cost assistance. Boone said there was discussion on the County not typically combining strategies and some concern expressed with this practice. She said some of the strategies have been combined in past years. Boone said she wants the committee to know that combining of strategies is not setting precedence because this practice has been ongoing for years.

#### Asset Limitation Concept

The following concept was discussed on voted on by the committee:

There is no established asset limitation with the asset limitation concept. Applications have been received reflecting cash assets over \$300,000.00. It is recommended that a reasonable asset limitation be set for any strategy providing direct assistance to an individual or family. The staff recommendation is for a maximum asset limitation of \$100,000.00 which includes cash, investment accounts, and other real estate. The limitation would exclude the residence and retirement accounts (employer/401-K/IRA).

Green moved approval of the asset limitation policy with a maximum asset limitation of \$25,000.00; Parker seconded with the exception cases be considered on a case by case basis for those in excess of \$25,000.00, and the motion carried unanimously.

(5-0)

Boone said she has a question concerning Parker's stipulation. She said in general, the policy is written for denial unless the request is appealed. Boone said considerations will only be on an appeal basis. Parker agreed. Boone said, in general, staff wants to be able to say "this is the program limit." Walker said staff has the authority to bring forth appeals to the committee as needed.

#### Debt Ratios/First Time Homebuyer

The following concept was discussed and voted on by the committee.

The general guideline for debt ratios under the First Time Homebuyer is that a home purchased under this program must be affordable based upon total monthly principle and interest, taxes, and insurance being 30% or less of the family's total gross monthly income. The State guidelines allow for higher ratios if a mortgage lender is willing to underwrite and approve the loan. Debt ratios in excess of 55% have been approved. Since January, a requirement has been put into place that if the debt ratio is higher than 30% and the lender will approve the loan, a statement is required from the applicant that states they are aware of the excess ratio and declare they are able to meet the obligation. It is recommended that applications with excessive debt ratios be denied. Therefore, this is to recommend that the SHIP Program administrator be given the authority to withhold approval on cases that reflect a high risk to the potential homebuyer of default.

Walker asked Boone where the figures came from. Boone said staff came up with these figures. She said the amounts change from one jurisdiction to another.

Holt moved approval of the Debt Ratios as presented; Parker seconded, and the motion carried unanimously. (5-0)

#### Next Meeting Date

The next meeting is scheduled for April 23, 2008 at 3:00 p.m. in the Public Services Community Room.

#### Adjourn

There being no further business to come before the Board at this time, the meeting adjourned.

Debbie Laird said Family Promise is dedicating its two new duplexes (four units) at 6851 Trail Ride Drive on Sunday, April 20, 2008 at 2:00 p.m. She invited everyone to attend and asked them to wear red.